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DD/M&S 73-4776

13 DEC 1973

MEMORANDUM FOR: Director of Central Intelligence

FROM : Acting Deputy Director for
Management and Services

SUBJECT : Impact of Proposed FY 1975 Personnel
Cuts Assigned to the DD/M&S

1. Action Requested: It is recommended that the Director of Central Intelligence familiarize himself with the impact on Agency operations, management, security, and morale, as outlined in this paper, if proposed FY 1975 personnel cuts are taken by the Deputy Director for Management and Services. It is further recommended that the Director seek the advice of the Agency Management Committee on possible alternatives to the proposed DD/M&S personnel reduction.

2. Basic Data or Background: The purpose of appealing the Management and Services personnel cuts to the Director is not to defend services or size of the Directorate in any bureaucratic sense but to ensure that the full impact of these cuts will be understood by the Director as well as the other three operating Deputy Directors. Cuts of any real magnitude can no longer be absorbed by reorganizing and realigning functions, increasing efficiency and productivity, or converting personnel from staff to contract employment as have been the practices over the past several years of reduction. We are faced with a philosophical concept of Agency management and, indeed, the capability of other major Agency components to absorb indispensable responsibilities should DD/M&S withdraw from them.

The attachment lists a range of responsibilities and services to be eliminated if DD/M&S is to accept a cut of 99 positions which, in reality, will be 116 positions as

SUBJECT TO GENERAL DECLASSIFICATION SCHEDULE
OF E. O. 11652, AUTHORITY DERIVED AT
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developed in the attachment. The crucial issue involved requires an understanding of the fact that if DD/M&S in reducing withdraws from indispensable services, those services perforce will have to be assimilated by the operating components. Yet, simultaneously, the operating components themselves are being reduced and, to further exacerbate the situation, in those reductions the operating components predictably will eliminate a certain number of support positions which would logically have taken up the load. A prime example is the Central Processing Branch of the Office of Personnel, which consists of [redacted] positions. It appears incontestable that the need for the service performed on behalf of the Agency by the Central Processing Branch will continue at the same magnitude regardless of the existence of the Branch. Upon the demise of the Branch, there then is no alternative but that the operating components themselves perform the services for their people, or that the people attempt to do it for themselves. This, of course, will occur in the previously described environment where the operating components are being reduced. This situation in itself is paradoxical; but there are other equally serious ramifications to the problem. A situation would be created where an unidentified number of people with varying degrees of Agency experience would be responsible for the complicated matters of obtaining passports, booking transportation, and ensuring the necessary coordination between the travelers and the Office of Medical Services. Without submitting evidence to support the statement, it is believed to be predictable that such a situation will be more expensive and less efficient to the Agency than maintenance of the Central Processing Branch; and the thought of having a decentralized instead of a centralized interface [redacted]

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The same sort of general impact will be felt across the Agency if the Central Travel Branch is abolished; the Office of Security discontinues servicing post office boxes; or any of the other services discussed in the attachment is eliminated.

We believe it also relevant to raise the issue of employee morale. The Agency has gone through an extremely traumatic experience in Calendar Year 1973, and the shock waves, to a certain degree, are still reverberating. If the Agency were to undertake a course of action now which would tend to cause confusion amongst its employees, be demonstrably inefficient, and raise concerns among employees

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that the Agency is not really mindful of their welfare, it is our considered opinion that it would be prejudicial to the current level of morale.

3. Staff Position: To a greater or lesser degree, a reduction of 116 positions by DD/M&S would create conditions as above described. The Directorate is prepared to accept a reduction of 30 positions and simultaneously commit itself to carry on as a viable component without expecting the three operating Directorates to assume those responsibilities which are, in fact, the DD/M&S's. If a cut of more than 30 is taken, it is our opinion that the Agency, its employees, and its security will suffer and the credibility of Agency management may well be questioned.

4. Recommendation: That this matter be called to the attention of the Management Committee and alternative solutions be discussed and developed.



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Acting Deputy Director
for
Management and Services

Attachment

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DDM&S/PS:RHW:kbp/ [REDACTED] (13 Dec 73)

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